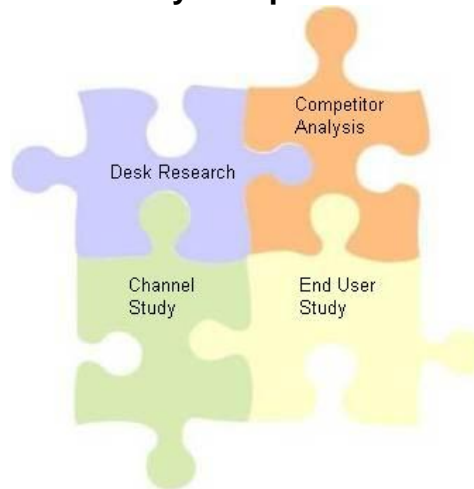


Topic:
International B2B
Research

Understanding International B2B Research for Printing and Imaging Markets

4 Key Components



Introduction

iPRINT is produced by Business Advantage, a B2B research, business development and marketing consulting practice operating in the global IT, Digital and Telecommunication sectors.

In a global market and with research budgets having to cover more and more countries, it can be difficult to find cost effective solutions to researching the printing and imaging market across multiple borders.

If you are a research or marketing manager and you want to understand the SMB or enterprise printing environment or a niche market, such as large format printers, 3D printers or industrial printers (such as those used for bulk mailing or product identification) in Europe, the Americas, APAC or globally and have a limited budget – what can you do?

You may want to:

- size the market
- understand the trends in the market
- establish who the key players are
- take a view on the best routes to market
- understand who the end users are
- investigate their purchasing behaviour
- develop new product features

One approach is to break the research into a number of staged studies (see jigsaw image), all designed to link together.

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Desk Research

In an ideal world the desk research would cover the entire market that you are interested in – but be prepared to be flexible. Whilst desk research is a relatively inexpensive way to gain an effective feel for a market, it is not an exact science. Data may be readily available for office printers, copiers, scanners and MFPs (multi-functional printers), but it is unlikely to be available in exactly the format required for niche markets or emerging markets. Data may be obtained on individual countries across the globe, but the real skill is in then taking various market estimates and producing an overview based on mathematical calculation - and pure common sense!

A full scale quantitative study that sizes a market within agreed statistical confidence limits might be more accurate, but in a multi-national study for a niche product, frequently this route is too expensive. If what you need is a feel for market size and trends then desk research together with interviews with industry bodies, journalists, analysts and the channel can provide you with this.

By speaking to industry experts one can gain different estimates of market sizes and as more conversations take place these estimates become more and more refined. In most markets those that study and observe it such as journalists, analysts and industry bodies have a good overview of it and these individual views can be pooled and modified to produce estimates. The skill is in knowing who to talk to and to be able to gauge good from rogue or misleading information.

Competitor Analysis

Often one of the objectives of desk research is to identify key competitors. Whilst this may be relatively easy when looking at major peripheral suppliers, the task can be much more difficult when researching the compatible inkjet and toner cartridge market in South America, for example, if you are not based in the area or understanding who the key industrial printer suppliers are in Germany for the product identification sector. Understanding competitors in areas outside your home territory, or within regions in which you have not worked before can require extensive research just to find out who they are!

However, assuming you establish this, how will you research competitors in multiple countries, with multiple offices and not break the budget? Interviewing regional headquarters is often the key to limiting the budget. Those with regional responsibilities have a good overview of their territory and can provide useful information. But don't be lulled into a false sense of security here – whilst regional headquarters, or global ones for that matter, may set the strategy what happens in local countries can be very different. You may be told that there is one pricing policy and that discounts are based on set parameters, but when you contact a local office you may discover different practices – so when covering several markets, focus on the regional headquarters but allow some budget for talking to the grass roots.

Competitor analysis should be conducted on a regular basis to identify new trends and product/service offerings and highlight new players in your market.

Research will typically focus on:

- company strategy and structure
- financial and operating analysis
- marketing strategy
- market perceptions
- analysis of strengths and weaknesses
- future directions

Access to this information about your major competitors sets the path for you to:

- understand their mission and objectives and develop your own accordingly
- develop realistic sales targets through understanding the scale of their operations and turnover
- implement product/service improvements to counter strengths/weaknesses and innovations in their product portfolio
- position your prices appropriately
- target your direct sales policies through knowing their distribution channels
- offer competitive discounts and payment terms
- develop an appropriate marketing communications strategy in response to their messages
- strengthen your products/services and marketing strategy according to how your competitors and their products are perceived by their customers.

Other areas such as lost bids analysis and competitor customer satisfaction will also be relevant at certain times and should be undertaken as separate projects.

Such analysis will help you gain significant advantage in your market, and should form part of your overall business strategy.

Channel Study

Researching the printing and imaging channel internationally requires good planning; you need to establish what the distribution channel looks like in each country:

- to what extent is it direct or indirect?
- how many tiers are there in the channel – distributors, resellers, retailers?
- how important are their direct sales operations?
- how does the supplies channel differ from the hardware channel?

And remember this can be different by vendor by country. Even global “corporates” – whom you might assume would have a global or at least a regional strategy – may handle the channel differently in different countries.

Also bear in mind that some players, whilst appearing strong in a region overall, may have a weak presence in some countries, or even no presence at all. In terms of the channel, you may find countries that are handled by a neighbouring country – so for example Germany may cover distribution for Austria. Understanding the broad model is important in defining the sample; it is no use deciding to interview resellers in a certain country, only to discover a vendor does not have resellers there. Again – flexibility is your key.

Once the sample structure is decided upon, sourcing data can be your next hurdle. In selecting channel members for interview one needs to apply the 80/20 rule, where 80% of sales in a market come from 20% of resellers. Surveys need to reflect this and also need to reflect the importance of the smaller number of distributors compared to resellers in general.

Channel specialism is also important to consider at this stage. Do you require....?

- hardware only suppliers
- supplies only suppliers
- hardware and supplies suppliers
- compatible/refill suppliers
- industry specialism
 - digital fine arts
 - large format printing
 - off-set printing
 - etc

The vendor may be global but the channel is usually country centric, although there are exceptions and some channel players, particularly distributors, will cross borders. A growing issue now is the “grey” market, where products priced lower in one country are sold into other countries, where theoretically the price is higher. Most “corporates” try to standardise this with regional pricing policies, but with a global market and the effect of the Internet this is difficult to manage.

When it comes to consumables the channel can be even more complex and the issue of cartridge and toner types come into play – are you concerned with only original supplies or is there a refill or compatibles market. If so – how transparent is it – you need to know who the competitors are before you can track their channel. In some markets the issue is even more complex because of the use of OEM and third party suppliers.

End User Study

When we get to the end users most of us are now in more familiar territory. However in the printing and imaging market even end users are not so straight forward. Markets consist of:

- Consumers
- SOHO
- SMB
- Enterprise
- Internal Print Centres
- Print Service Providers
 - Digital printers
 - Lithographers
 - Copy shops
 - Specialists – digital fine art, 3D printing
 - And more

There is also the issue of outsourcing to consider. At the beginning of each study decisions need to be made about the end user sample and the relevant industry sectors to be covered. However in niche markets, or even not so niche ones, finding the end users is not always so easy. Finding the specifiers of a large format printer used for in-house graphics in a large corporate can be tricky. With more and more companies opting for global solutions, looking for the decision maker for an enterprise company's global printing and imaging strategy can be like looking for a needle in a haystack. Your search may need to cross borders or continents to locate the correct person.

But they can be found and telephone studies are typically the easiest way of contacting them. Having identified the end user, multi-lingual studies work well by telephone or web or a combination of both. When a respondent is difficult to find, offering them alternative methods of survey will help increase the completion rate.

But careful consideration of methodology is important. Web survey response rates are generally in decline so conducting a survey of, for example, copy shops on-line may not produce the best results. In such cases interviewers skilled at engaging with busy people, who can be flexible and persistent may produce the best result.

However if you have a large sample of your own customers and want feedback on contact they have made to your international call centre then a web survey with language options is probably the most efficient way of gathering data.

Generally the harder the sample is to find, the more likely a telephone study will produce results.

Focus groups are ideal to test features and functions and develop new concepts. Traditional face to face focus groups work well for mainstream peripherals, but can be prohibitively expensive for niche products, such as large format printers. Here online focus groups are very valuable, allowing for full interaction between respondents and full exploration of the issues within a reasonable cost and timeframe.

A word of caution in the printing and imaging market – terminology is not easily understood by end users, irrespective of language. There is confusion between:

- MFPs and digital copiers
- Original and compatibles/refills
- Even inkjet and laser
- Large, wide and small formats
- And other issues!

Being aware of this ensures questionnaires and discussion guides are well designed and unambiguous, although it is probably true to say that a minority of end users will stay confused no matter what you do, but being aware of this upfront means you can allow for it at the analysis stage.

Speak the right language

Wherever possible cover as many languages from one central location. This improves quality of data and allows for versatility. If you need to hop between countries you want a wide range of language resource at your finger tips. Tri-lingual/multi-lingual interviewers are even better. They can cover large parts of the world seamlessly, without having to pass work to another person. This saves time, improves quality and reduced costs.

Having said this, do not underestimate how much B2B research can be carried out in English. For most global companies the common language is English, and can make multi-national studies more cost effective.

However there are times when it is wise to look to the local country. Japan is an example, where local culture and custom are such that most studies are best handled locally.

And remember no survey is of any value if respondents have not understood your questions. Translation is not always the issue. Sometimes the word itself is used differently. In Germany distributors are called wholesalers, whereas in England wholesalers are understood to be different from distributors. In Japan Kenchikushi Law governs architects, but actually means licensed architects and/or building engineers, there is no equivalent word to architects as we understand it.

Whilst very specific, these two examples show how important a total understanding of a



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market is, not just a literal translation. Add to this the general confusion that exists in the market with printing technology and terminology and the importance of translation becomes even more crucial.

International B2B research is exciting and challenging, and it does not always have to be prohibitively expensive. Understanding the markets and using traditional B2B research methods combined with desk research and competitor analysis can add insight and value at an affordable price.

If you would like more information on this or other research and business development matters, please email info@business-advantage.com or call +44 (0)1689 873636

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